Association for Financial Counseling Planning Education

Military Pre-Conference

Department of Defense Update

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Sponsored by The Office of the Secretary of Defense, Military Community & Family Policy (OSD/MC&FP)

Association for Financial Counseling Planning Education

Military Pre-Conference Topics

- Financial Readiness Campaign
- Financial Counseling
- Military Spouse Fellowship Program
- Youth Outreach
- Media/Speaker Circuit
- On-line Competency
- Career Advancement Accounts
- Regional Joint Family Assistance Workshops
- Joint Family Support and Assistance Program

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America's Financial Culture

- The **average** American spends $1.22 for every $1.00 they make!

That means if you make $30,000 a year, you're spending $36,600!?

- The **average** household has seven credit cards and pays $8,500 a year in finance charges!

And meanwhile, the credit card balances continue to grow…

- The **average** 25-34 year old spends 25% of their income on paying down debt!

That's one-fourth of your income you can't use for yourself or your family!

- The **average** American adult receives a failing grade for their knowledge of basic economic concepts!

They don't understand how to properly budget, save, or invest

Bottom Line?

You can't afford to be average!!

Source: Financial Literacy and Education Commission – Jan 07; National Council on Economic Education

Integrity

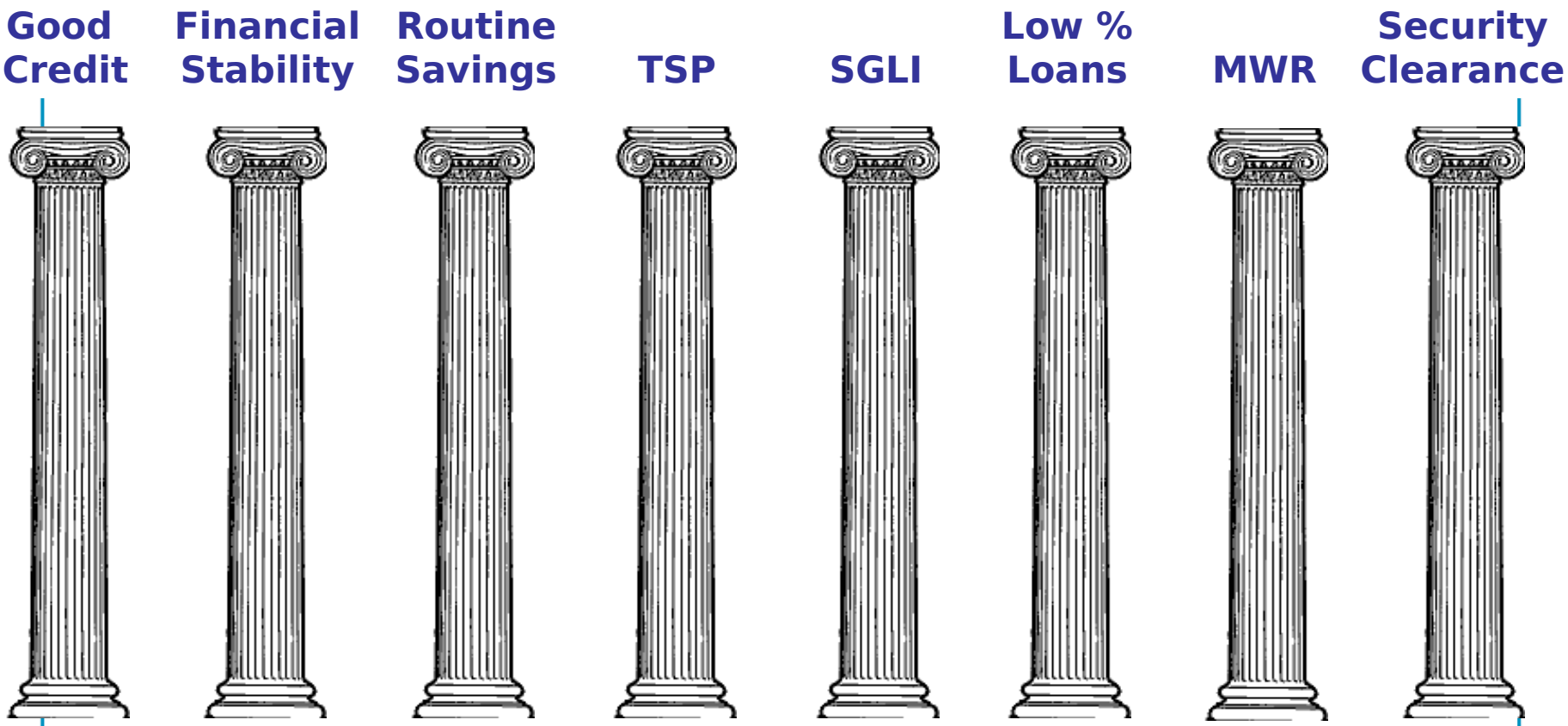
The Military's Core Values

will be upheld:

Our Service members must pay their just debts*

**** Payday loans are just debts. Declaring bankruptcy betrays the unique trust that has been bestowed upon our Military and should be viewed only as a last resort, if at all.***

The Pillars of Personal Financial Readiness



Counseling

- Military One Source
  - Telephonic counseling
- Military Family Life Consultants
  - Certified financial counselors, in concert with installation Personal Financial Managers
  - All services, all components
  - On-call, by request
  - Briefings, one-on-one counseling, education & training
- Turbo TAP

Military Spouse Fellowship Program

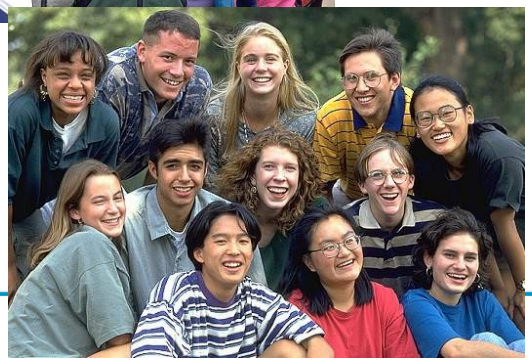
- FINRA initiative in partnership with AFCPE & NMFA
- Program:
  - *Personal Finance* and *Financial Counseling & Debt Management*
  - Study group webinars
  - Examinations
  - Practicum hours (scaled)
- 200 selectees from 2000 applicants
  - 172 active participants (11% drop rate)
  - All Services, components
  - Status: 31 AFC-certified, 7 finalizing cert process
- Practicum hours
- Employment opportunities following certification

Youth Outreach

The Challenge:

- **Fewer than half of high school and college students have a regular savings plan**
- **Only about one-fourth of those students stick to a budget**
- **Over 30% of students don't keep track of their spending at all**

50% of our military youth will join (or seriously consider joining) the military



According to the National Endowment for Financial Education, as few as ten hours of classroom instruction can be enough to persuade students to improve their spending and saving habits

outh and Money" Study – American Savings Education Council 2007

Youth Financial Readiness

- Military Youth Saves 2008 Pilot
  - 11 Pilot sites: West Point, Fort Buchanan, Norfolk (area), San Diego (area), Camp LeJeune, Camp Pendleton, Beaufort, SC, Eielson AFB, Lackland AFB, Mountain Home AFB, Minot AFB, DLA sites: Susquehanna, PA and San Joquian, CA
  - Youth Center, CDC, Family Support Center programs
- DoD Education Activity (DoDEA)
  - Meeting scheduled - December 07
  - Financial-related curricula, standards, after school acti
- DoD Financial Partners:
  - Jumpstart Coalition
  - ABA/AMBA Education Foundation
  - BBB/B&GCA “Money Matters”
- How can we reach our youth?

Media/Speaker Circuit

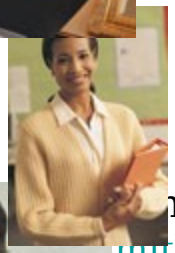
- Circulate prominent trainers globally to reach military members and their families
  - Major events: address “pillars” with personal flair/cause
- *Moneywise in the Military with Kelvin Boston*
  - Japan, Seattle (Oct)
- Personalities being sought:
  - Ben Stein
  - Suze Orman (Ft Dix)
  - Jim Cramer (“Mad Money”)
  - Rick Adelman
  - Kelly Perdew
  - Dr. Robert Manning (Credit Card Nation)
- PSA’s, DVD’s, CD’s, Podcasts, Conferences, etc

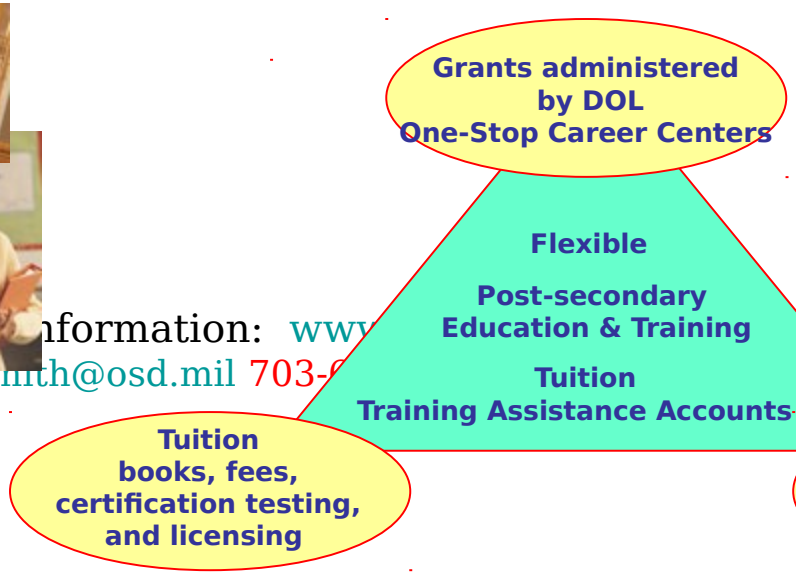
On-Line Competency

- First meeting on 31 Oct with NC State Project Officer & USDA Program Manager to discuss:
  - Target audience(s)
  - Financial areas of emphasis
  - Competency requirements
  - Reviewing, reporting, and referral requirements
- Four phases:
  - Phase 1: Preparation (to be completed 4th quarter 2007)
  - Phase 2: Development (completed mid-2008)
  - ***Phase 3: Delivery (NLT 30 Aug 2008)***
  - Phase 4: Evaluation
- Financial Council meeting to discuss with PFM's
  - Week of 10 December

Career Advancement Accounts (CAA)

- Demonstration Project
  - Fund Education, Training, Certification/Licensing necessary for Mil Spouses to have a career
  - Provide valuable, trained workers to businesses
  - Increase financial stability of military families
  - Support retention/readiness of US Armed Forces
  - Partnerships: DoD, DoL, State Gov, Workforce Investment Boards, others
- Focus: specific portable and high-growth career fields





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CAA Participating States and Installations

California
- Camp Pendleton (Marine Corps)
- San Diego (Navy)

Colorado
- Fort Carson (Army)
- Peterson AFB (Air Force)

Florida
- Eglin AFB & Hurlburt Field (Air Force)
- Jacksonville NAS (Navy)

Georgia
- Fort Benning (Army)

Hawaii
- NS Pearl Harbor (Navy)
- Hickam AFB (Air Force)
- Kaneohe Bay (Marine Corps)
- Schofield Barracks (Army)

North Carolina
- Fort Bragg (Army)
- Pope AFB (Air Force)

Maine
- Brunswick NAS (Navy)

Washington
- Fort Lewis (Army)
- McChord AFB (Air Force)
- Naval Base Kitsap-Bremerton (Navy)

Demonstration Sites:
- **DoD-DOL selected**
- **All Military Services represented**
- **Targets junior military personnel spouses**

Joint Services Family Assistance Workshops

- Regional workshops conducted by MC&FP staff to brief family support and children & youth personnel of all Services and components on support programs, pilots, and initiatives *and to allow networking*
- Topics covered:
  - Children & Youth programs
  - Financial Readiness
  - Military Home Front.dod.mil
  - Turbo TAP
  - Special Needs Programs
  - Spouse Employment Programs
  - Heroes to Hometowns
  - Military One Source
  - JFSAP
  - Pilots, initiatives
- Schedule:
  - 15-18 Jan 08 (tent): Jacksonville, FL (GA, SC, FL, AL)
  - 11-15 Feb 08 (tent): San Diego area
  - 11-14 Mar 08 (tent): Washington, DC and Norfolk, VA
  - 8-11 Apr 08 (tent): Phila, PA (PA, NY, NJ, DE, CN, NH, MA, ME, VE, RI)
  - 12-16 May 08 (tent): Midwest (KY, IL, IN, OH, TN, WV, MI, MO, NE, KS, SD, ND, IA, MN)
  - 9-13 June 08 (tent): Southwest (AZ, CO, UT, NM)

Joint Family Support and Assistance Program

- Background: NDAA 07 - *The Secretary of Defense shall carry out a joint family support assistance program for the purpose of providing assistance to families of members of the Armed Forces.*
- JFSAP Mission: Provide mobile, high quality family services to augment current family programs' ability to meet the needs of Active Duty, Guard and Reserve family members.
  - Primary focus of support will be families who are geographically dispersed from a military installation
- Functional areas:
  - Financial and material assistance
  - Mobile support services
  - Sponsorship of volunteers and family support professionals for delivery of support services
  - Coordination of family assistance programs
  - Facilitation of discussion on military family assistance programs between and among military and civilian stakeholders

Joint Family Support and Assistance Program

- Staffing: Each location will have three key staff members:
  - Child & Youth Consultant
  - Military and Family Life Consultant (MFLC)
  - Military OneSource (MOS) Consultant

- Staff Function: Partner with military, state and local resources to:
  - Assess needs
  - Identify resources & address gaps
  - Enhance/build community capacity
    - Facilitate an integrated service delivery system and a community of support for military families
- Pilot States:
  - Alabama, Arkansas, California, Colorado, Florida, Hawaii, Indiana, Minnesota, Nebraska, New Hampshire, Ohio, Oregon, Tennessee, Texas, West Virginia
  - Expanded from 6 to 15 in August 07

Mission Success vs Mission Failure

- ☑ Good credit
- ☑ Financial stability
- ☑ Regular savings
- ☑ Contribute to TSP
- ☑ Don't Opt-Out for SGLI
- ☑ Low % loans
- ☑ Security Clearance

- ⊗ Bad credit
- ⊗ Bankruptcy
- ⊗ No emergency savings
- ⊗ No retirement savings
- ⊗ No SGLI/insurance
- ⊗ Predatory loans
- ⊗ No Clearance

Financial Readiness = Mission Readiness"

- *Dr David Chu*

Under Secretary of Defense for Personnel & Readiness

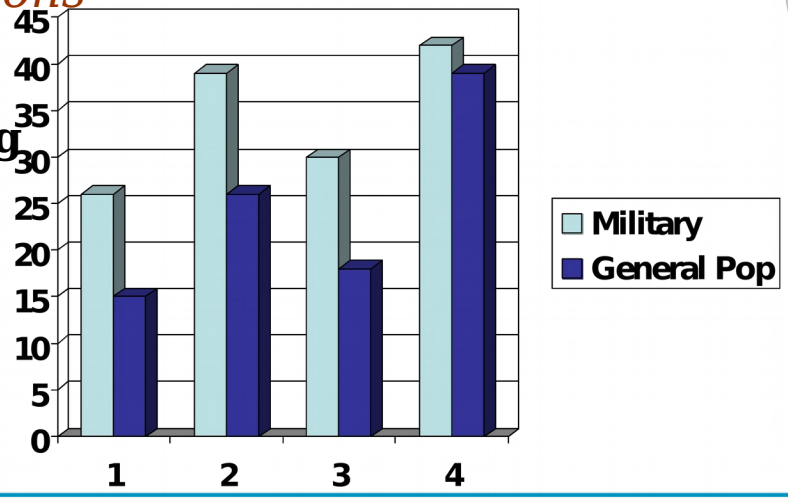
Great News!

- *Military Money* magazine Fall 2007
- Americans Well-Informed on Automobile Retailing Economics (AWARE) reports:

  "America's military personnel are particularly prepared for this major financial event in their lives, more so than Americans in general….they are more likely than the average consumer to understand the process of buying and financing a vehicle, and to spend time researching their options"

Military Members Research Financing Options

Respondents who Completed ≥ 3 hrs of Research



1-Credit Card, 2-Vehicle Financing, 3-Furniture/Appliance Financing, 4-Home Improvement Loan

Questions?

Moneywise with Kelvin Boston

Military Money

FINRA Investor Education FOUNDATION

SaveAndInvest.org

NMFA National Military Family Association

National Endowment for Financial Education

www.feedthepig.org